



El Camino College
COURSE OUTLINE OF RECORD – Approved

I. GENERAL COURSE INFORMATION

Subject and Number: Business 1A

Descriptive Title: Financial Accounting

Course Disciplines: Accounting

Division: Business

Catalog Description:

This is an introductory course covering the fundamental theory, principles, and procedures of financial accounting with an emphasis on the corporate entity. Topics include ethics and the analysis, recording, and summarizing of accounting transactions on the accrual basis. Financial statements are prepared and analyzed. An emphasis will be on accounting as an information system to meet the demands of users for decision-making. Computer applications are integrated into the homework.

Conditions of Enrollment:

Recommended Preparation: English 1 or eligibility for English 1A or qualification by appropriate assessment

Course Length:	X Full Term	Other (Specify number of weeks):
Hours Lecture:	4.00 hours per week	TBA
Hours Laboratory:	1.00 hours per week	TBA
Course Units:	4.00	

Grading Method: Letter

Credit Status: Associate Degree Credit

Transfer CSU: X Effective Date: Prior to July 1992

Transfer UC: X Effective Date: Prior to July 1992

General Education:

El Camino College:

CSU GE:

IGETC:

II. OUTCOMES AND OBJECTIVES

A. COURSE STUDENT LEARNING OUTCOMES (The course student learning outcomes are listed below, along with a representative assessment method for each. Student learning outcomes are not subject to review, revision or approval by the College Curriculum Committee)

1. Evaluate the financial position and profitability of the business entity using various financial ratios.
2. Solve a comprehensive accounting problem that involves preparation of 3 of the 4 basic financial statements, which include the balance sheet, the income statement, and the statement of retained earnings.
3. Understand and utilize financial accounting concepts and terminology.

The above SLOs were the most recent available SLOs at the time of course review. For the most current SLO statements, visit the El Camino College SLO webpage at <http://www.elcamino.edu/academics/slo/>.

B. Course Student Learning Objectives (The major learning objective for students enrolled in this course are listed below, along with a representative assessment method for each)

1. Define accounting terminology.
 - Other (specify)
 - Objective and problem-solving exams
2. Interpret, analyze, record, and process a wide array of business transactions in accordance with acceptable accounting theory, principles and practices as well as government regulation, federal tax laws, and generally accepted accounting principles.
 - Other (specify)
 - Objective and problem-solving exams
3. Appraise the changing role of accountants in today's business.
 - Other (specify)
 - Objective and problem-solving exams
4. Reformulate an accounting system into an information system.
 - Other (specify)
 - Objective and problem-solving exams
5. Analyze financial transactions and their effect on the accounting equation.
 - Other (specify)
 - Objective and problem-solving exams
6. Measure a company's performance through its financial statements.
 - Other (specify)
 - Objective and problem-solving exams
7. Describe and perform the accounting functions of the accounting cycle for service and merchandising businesses.
 - Other (specify)
 - Objective and problem-solving exams
8. Apply the principles and concepts of accounting-to-accounting situations.
 - Homework Problems
9. Compare the cash basis to accrual basis accounting.
 - Other (specify)
 - Objective and problem-solving exams
10. Evaluate the concept of the present value of money.
 - Homework Problems

11. Identify the characteristics of corporations and the stockholders' equity section of balance sheets.
 - Other (specify)
 - Objective and problem-solving exams
12. Obtain a basic understanding of the Statement of Cash Flows, including its purpose, how it articulates with the other financial statements, and the three activities that generate cash flows.
 - Other (specify)
 - Objective and problem-solving exams
13. Calculate Financial Statement ratios using analysis tools.
 - Other (specify)
 - Objective and problem-solving exams
14. Prepare general ledger entries using computer software programs.
 - Homework Problems
15. Collaborate in a group environment to analyze ethical implications of business decisions.
 - Presentation

III. OUTLINE OF SUBJECT MATTER (Topics are detailed enough to enable a qualified instructor to determine the major areas that should be covered as well as ensure consistency from instructor to instructor and semester to semester.)

Lecture or Lab	Approximate Hours	Topic Number	Major Topic
Lecture	5	I	Introduction to Accounting as an Information System <ul style="list-style-type: none"> A. Definition of accounting B. Users of accounting information C. The accounting profession D. Introduction of the accounting equation E. Analysis of financial transaction F. Introduction to financial statements <ul style="list-style-type: none"> 1. Balance Sheet 2. Income Statement 3. Statement of Cash Flows
Lecture	8	II	Recording Accounting Data <ul style="list-style-type: none"> A. Financial Statement Articulation B. Introduction of concepts and principles of Accounting C. Rules of debits and credits D. Normal account balances E. The general journal F. The general ledger G. Errors in recording transactions
Lecture	8	III	The accounting cycle, including adjusting and closing entries for a service enterprise <ul style="list-style-type: none"> A. The elements and steps of gathering and processing adjusting information B. The matching of revenue and expenses C. Effects of omitting accounting adjustments D. The accounting worksheet E. Preparation of financial statements F. Closing of the books

Lecture	5	IV	Accounting cycle of a merchandising enterprise A. Periodic vs. perpetual inventories B. Purchase of inventory using a perpetual inventory system C. Quantity buy, cash discounts, purchase returns, and shipping terms D. Sale of inventory and Cost Of Goods Sold E. Sales discounts and sales return and allowances F. Gross profit as a number and a percent G. Multiple step vs. single step income statements
Lecture	4	V	Accounting system and protection of cash A. The accounting environment B. Internal controls C. Bank reconciliation D. Introduction of the voucher system
Lecture	4	VI	Notes and accounts receivable A. Characteristics of a promissory note B. Computation of simple interest C. Recording of notes D. The sale and dishonormment of notes E. Uncollectible accounts receivable F. Allowance and write off methods G. Problems associated with sales on account and the institution of policies to handle bad debt
Lecture	4	VII	A. Valuation of inventory B. Significance of inventory as a current asset to a merchandising firm C. Quantity count for perpetual and periodic inventory systems D. Costing of inventory using First-In First-Out, Last-In E. First-Out, and Weighted Average cost F. Economic conditions and the impact on inventory valuation G. Effects of errors on inventory H. Costing inventory using lower of cost or market
Lecture	8	VIII	Depreciation, amortization, and depletion of long lived assets A. Costing of assets for depreciation B. Methods of depreciation C. Tax implications when depreciating assets D. Discard, sale, and exchange of assets E. Defining amortization and depletion F. Revenue vs. Capital leasing
Lecture	4	IX	Current liabilities and accounting for payroll A. Short term liabilities B. The payroll system C. Employee compensations D. Payroll taxes of employees E. Payroll taxes of employers
Lecture	5	X	Long-term liabilities: Bonds

			<ul style="list-style-type: none"> A. Characteristics of bonds B. Bond trading in the marketplace C. Bonds sold at premiums and discounts D. Introduction to future and present value E. Real world financial data application
Lecture	5	XI	<p>Corporate Form of Business</p> <ul style="list-style-type: none"> A. Characteristics of corporations B. Rights of stockholders C. Issuance of stock D. Study of the stockholders' equity section of the balance sheet E. Use of current financial reports F. The purchase of treasury stock G. Ethics
Lecture	12	XII	<p>Retained earnings and the income statement</p> <ul style="list-style-type: none"> A. Treasury stock B. Discontinued operations C. Computations of dividends – cash and stock D. Use of financial ratios <ul style="list-style-type: none"> 1. Earnings per share 2. Extraordinary items E. Defining subsidiaries, mergers, and consolidations F. Corporate income taxes G. Real world application
Lab	18	XIII	<p>Utilizing the text and published financial statements, the Instructor will lead and direct Students to:</p> <ul style="list-style-type: none"> A. Solve problems using the accounting equation B. Journalize and post a variety of transactions C. Prepare adjusting and closing journal entries D. Prepare trial balances E. Prepare financial statements for merchandising companies F. Prepare bank reconciliations G. Analyze accounts and notes receivable. Calculate Net H. Realizable Value I. Calculate Cost of Goods Sold and Inventory balances using various costing methods J. Calculate depreciation expense, accumulated depreciation, and book value using various depreciation methods K. Revise depreciation estimates as needed. Account for asset disposals and exchanges L. Account for current and long-term liabilities, and amortize notes and bonds payable M. Prepare a statement of retained earnings and the stockholders equity section of the balance sheet N. Prepare a multistep income statement and comprehensive income O. Calculate and evaluate the business entity using a host of relevant financial statement ratios

Total Lecture Hours	72
Total Laboratory Hours	18
Total Hours	90

IV. PRIMARY METHOD OF EVALUATION AND SAMPLE ASSIGNMENTS

A. PRIMARY METHOD OF EVALUATION:

Problem solving demonstrations (computational or non-computational)

B. TYPICAL ASSIGNMENT USING PRIMARY METHOD OF EVALUATION:

Explain the allowance method of uncollectible accounts receivables write-off's under the accrual basis of accounting and present your findings in a one-to-two page written summary.

C. COLLEGE-LEVEL CRITICAL THINKING ASSIGNMENTS:

1. In a group, compare and contrast the straight-line and the modified accelerated cost recovery methods of depreciation to demonstrate tax advantages of the accelerated cost recovery system and present your findings in a one-to-two page written document.
2. Analyze how sales and exchanges of plant and equipment assets are recorded for both financial reporting purposes and for tax purposes. Present your findings in a one-to-two page written document.

D. OTHER TYPICAL ASSESSMENT AND EVALUATION METHODS:

Performance exams
Other exams
Quizzes
Laboratory reports
Homework Problems
Multiple Choice
Completion
Matching Items
True/False
Other (specify):
 Group problem solving
 Analyzing and solving problems and cases

V. INSTRUCTIONAL METHODS

Demonstration
Discussion
Group Activities
Laboratory
Lecture
Multimedia presentations
Other (please specify)
 Computer simulations

Note: In compliance with Board Policies 1600 and 3410, Title 5 California Code of Regulations, the Rehabilitation Act of 1973, and Sections 504 and 508 of the Americans with Disabilities Act, instruction delivery shall provide access, full inclusion, and effective communication for students with disabilities.

VI. WORK OUTSIDE OF CLASS

Study
Answer questions
Required reading
Problem solving activities
Written work

Estimated Independent Study Hours per Week: 8

VII. TEXTS AND MATERIALS

A. UP-TO-DATE REPRESENTATIVE TEXTBOOKS

John J. Wild. Financial Accounting Fundamentals. 7th ed. McGraw Hill Publishing, 2019.

B. ALTERNATIVE TEXTBOOKS

C. REQUIRED SUPPLEMENTARY READINGS

D. OTHER REQUIRED MATERIALS

VIII. CONDITIONS OF ENROLLMENT

A. Requisites (Course and Non-Course Prerequisites and Corequisites)

Requisites	Category and Justification
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B. Requisite Skills

Requisite Skills

C. Recommended Preparations (Course and Non-Course)

Recommended Preparation	Category and Justification
English 1	Category: Course Justification: This course requires comprehensive reading and analysis of text and assignment materials. Students must be able to write coherent and organized essays and comprehend reading and analysis of text and assignment materials.
Eligibility for English 1A or qualification by appropriate assessment	Category: Non-Course Justification: This course requires comprehensive reading and analysis of text and assignment materials. Students must be able to write coherent and organized essays and comprehend reading and analysis of text and assignment materials.

D. Recommended Skills

Recommended Skills
Students need well-developed reading skills in order to understand and interpret information in their textbooks and writing skills to develop essays and projects.
ENGL 1- Summarize, analyze, evaluate, and synthesize college-level texts.
ENGL 1 - Write a well-reasoned, well-supported expository essay that demonstrates application of the academic writing process.

E. Enrollment Limitations

Enrollment Limitations and Category	Enrollment Limitations Impact
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Course created by Lester Shaw on 06/01/1973.

BOARD APPROVAL DATE:

LAST BOARD APPROVAL DATE: 12/16/2019

Last Reviewed and/or Revised by: Sidney Porter on 10/1/2019

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